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FAITH & VALUES
CHANNEL

March 13, 1996

EX PARTE OR LATE FILED

Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M. Street, N.W.
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Re: MM Docket No. 92-266 - Ex Parte Presentation

Dear Mr. Caton:

This is to provide notice, pursuant to Section 1.1206(a)(1) of the Commission's Rules, that copies of the enclosed letter were forwarded today to Chairman Reed Hundt and to each of the other individuals identified as receiving copies. Each of the foregoing also received a copy of this letter. Two copies of the letter are enclosed for inclusion in the above-referenced docket.

If you have any questions regarding this matter, please contact me.

Very truly yours,



Jeffrey C. Weber
Executive Vice President
Programming & Operations

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March 13, 1996

Chairman Reed E. Hundt
Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Re: Revisions to Leased Access Rules/
Petition for & Reconsideration in MM Docket No. 92-266

Dear Chairman Hundt:

We are advised that the Commission is considering revising the present leased access rules which may affect the pricing for and usage of leased access channels. We are unaware of any written proposals by the Commission, but we felt constrained to express our deep concern that adoption of revisions could adversely affect the availability of our programming services to our cable viewers.

The Faith and Values Network is a 24-hour-per-day cable programming service containing a mix of religious, moral/ethical, values-based and family-oriented programming seeking to build bridges of understanding among all people, to promote the values of love, justice, reconciliation and hope, and to introduce perspectives of faith and values into public and civil discourse and to respect the dignity of all peoples. In contrast to other numerous religious broadcasters, Faith and Values is interfaith and does not permit solicitation of funds, proselytizing or maligning of any religious groups in its program service. As a result of tireless efforts over the past seven years Faith and Values is now available to 25.5 million subscribers. Faith.

We understand that the proposal before the Commission seeks to eliminate the current highest implicit fee pricing mechanism for leased access channels and substitute a proxy for "opportunity cost" which would reimburse cable operators only the lost advertising and/or commission revenues associated with channels supplanted by leased access channels and any additional extraordinary administrative and technical costs associated with carrying such leased access channels. To the extent that the supplanted channels do not include advertising or home shopping programming, the cost for leased access would appear to be negligible. Instead, cable

Chairman Reed E. Hundt
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operators, subscribers and other programmers would subsidize the cost of such access for other programmers, and commercial programmers at that. This proposed pricing mechanism places existing programmers at a substantial competitive disadvantage.

Section 612 of the Communications Act requires cable operators to make a certain percentage of their channel capacity not otherwise required for dedicated use available for commercial leased access. However, the existing pricing mechanism, which the Commission established on the basis of the full record before it, has moderated their use through competitive forces.

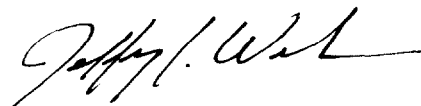
Before the Commission adopted revised going-forward rules, few cable operators added new programming services to their channel line-ups. Many new launches were delayed or abandoned. Now, just when it appears that program services could compete for carriage and viewers in a stable regulatory framework, the Commission apparently is considering a change which could have major negative effects on cable program services.

The Commission has recognized the existing shortage of channel capacity. Any significant increase in the number of channels which cable operators must devote to leased access because of subsidized pricing would only exacerbate this problem and require cable operators to drop programming services presently available to and desired by viewers. The proposal before the Commission appears to be premised upon a substantial dilution of existing programming services in favor of subsidized leased access services which include infomercials, retailing services and low-power television stations.

If the Commission believes that there is any merit to revising regulations regarding the rates and use of leased access channels, we respectfully submit that the Commission should publish a specific proposal upon which interested parties, including cable programmers and viewers, may comment.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Weber", written in a cursive style.

Jeffrey Weber
Executive Vice-President
The Faith & Values Channel L.L.C.

JW:ajb

Chairman Reed E. Hundt

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cc: Commissioner James H. Quello
Commissioner Andrew C. Barrett
Commissioner Rachelle B. Chong
Commissioner Susan Ness
Jackie Chomey, Legal Assistant to Chairman Hundt
Maureen O'Connell, Legal Advisor to Commissioner Quello
Lisa B. Smith, Legal Advisor to Commissioner Barrett
Suzanne K. Toller, Legal Advisor to Commissioner Chong
Mary P. McManus, Legal Advisor to Commissioner Ness
William F. Caton, Secretary (2 copies)